



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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October 7, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL OF A RESOLUTION OF INTENTION TO GRANT A TEN-YEAR PROPRIETARY PETROLEUM PIPELINE FRANCHISE TO PLAINS EXPLORATION & PRODUCTION COMPANY (SECOND DISTRICT) (3 VOTES)

SUBJECT

Approval of these recommendations will renew an existing proprietary petroleum pipeline franchise for pipeline facilities in the Ladera Heights unincorporated area.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve a Resolution of Intention to grant a new ten-year proprietary petroleum pipeline franchise to Plains Exploration & Production Company (PXP), setting the matter for the public hearing on October 28, 2008, and instructing the Executive Officer of your Board to arrange for publishing of a notice of the public hearing pursuant to Section 6232 of the California Public Utilities Code.
2. Find that this project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

"To Enrich Lives Through Effective And Caring Service"

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AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the accompanying ordinance to grant PXP a new ten-year proprietary petroleum pipeline franchise, becoming effective March 1, 2009, the date following the expiration of the existing PXP franchise.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The purpose of the recommended actions is for your Board to approve a Resolution of Intention, schedule a public hearing and publish a notice of the public hearing, as needed to renew the existing PXP franchise rights.

Implementation of Strategic Plan Goals

The County Strategic Plan directs that we provide the public with quality service that is beneficial and responsive (Goal 1). Your Board's approval of a resolution and adoption of the ordinance to grant PXP a franchise is consistent with this goal.

FISCAL IMPACT/FINANCING

PXP has paid the County a one-time fee of \$5,000 to process an ordinance to renew the franchise, and has agreed to pay a base annual fee at a rate of \$1.50 per cubic foot of highway space occupied, adjusted upward each year using the Producers Price Index.

During the 2007 calendar year, the PXP franchise generated a franchise fee of \$3,475 and will generate over \$8,700 each year using the volume formula in the new proprietary franchise. This increase is due to historically undervalued linear footage rates in the existing PXP franchise (19 cents per foot for pipelines under 8 inches in internal diameter), compared to the County's new volume rates also used by other cities in Los Angeles County (Bellflower, Carson, Los Angeles).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 10, 1994, your Board adopted Ordinance No. 94-0017F, which granted a 15-year proprietary petroleum pipeline franchise to Stocker Resources, L. P. (Stocker), which will expire on February 28, 2009. On October 2, 2002, this office processed an administrative consent letter approving Stocker to change control of the franchise rights, which allowed Stocker to merge with and into PXP.

PXP is an independent energy company that uses its pipeline system to transport crude oil, gas, wet gas, and waste water to and from its production oil wells and facilities in the Inglewood Oil and Gas Field located in the Ladera Heights unincorporated area. PXP contracts with Chevron to transport its crude oil via a pipeline to Los Angeles refineries, and sells its natural gas to Southern California Gas Company.

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The Department of Public Works and Fire Department have reviewed this recommendation and have no objections. County Counsel has reviewed the accompanying ordinance to grant the franchise and approved it as to form.

Pursuant to Section 6232 of the California Public Utilities Code, the Executive Officer of the Board shall arrange for publishing of a notice of the public hearing in a newspaper of general circulation in the County at least once within 15 days of your Board's adoption of the Resolution of Intention.

ENVIRONMENTAL DOCUMENTATION

This project is categorically exempt under CEQA pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will not impact or adversely affect any current services or future projects.

CONCLUSION

Instruct the Executive Officer, Board of Supervisors, to send conformed copies of this letter and the ordinance, Attention: Mr. Edgar Salazar, Senior Land Advisor, Plains Exploration & Production Company, 5640 S. Fairfax Blvd., Los Angeles, CA 90056, and the offices of County Counsel, Department of Public Works, Fire Department, and the Chief Executive Office, Real Estate Division.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
WLD:RB:lis

Attachments

c: County Counsel
Department of Public Works
Fire Department

PXPBL

SERVICE AREA MAP

Ladera Heights Unincorporated Area

Plains Exploration & Production Company

**This map illustrates the unincorporated areas affected by the franchise
and is provided for the convenience of the reader.**



Date July 2008	COUNTY OF LOS ANGELES - CHIEF EXECUTIVE OFFICE Plains Exploration & Production Company Proprietary Petroleum Pipeline Franchise Ladera Heights Unincorporated Area	Renew Plains E & P Ord. 94-0017F, amended
Supervisory District 2		Agent R. Ball

**RESOLUTION OF INTENTION TO GRANT A PROPRIETARY PETROLEUM
PIPELINE FRANCHISE TO PLAINS EXPLORATION & PRODUCTION COMPANY**

BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles,
State of California:

A. Plains Exploration & Production Company, a Delaware corporation ("Franchisee"), has applied to the Board of Supervisors of the County of Los Angeles, State of California, for a franchise for a period of ten (10) years, beginning on March 1, 2009, the effective date of the franchise, to lay, construct, reconstruct, maintain, operate, renew, repair, change the size of, remove, or abandon in place, pipes and pipelines for the collection, transportation, or distribution of petroleum, oil, gas, gasoline, or other liquid hydrocarbon products, wet gas, industrial gas, chemicals, mud, steam, water, waste water, and other liquid substances, excluding any hazardous substances or hazardous waste within the meaning of the "Comprehensive Environmental Response Compensation and Liability Act of 1980," 42 U.S.C. section 9601 et seq., and amendments thereto, together with all manholes, valves, cathodic protection systems, appurtenances, and connections necessary or appropriate for the operation of said pipes or pipelines, including poles, conduits, wires, and cables for adjunct communications lines, and other appurtenances and equipment for telegraph or telephone lines, or both, necessary or appropriate solely for the Franchisee's operations, in, under, along, or across any and all highways as defined in Section 16.36.080 of the Los Angeles County Code, now or hereafter dedicated to public use in the unincorporated territory of the County of Los Angeles, State of California, within the service area described in the proposed ordinance attached hereto as Exhibit "A," and depicted on the exhibit map attached to said ordinance as Exhibit 1.

B. It is the intention of the Board of Supervisors of the County of Los Angeles, State of California, to grant the franchise applied for upon the terms and conditions herein mentioned. The Franchisee, and its successors and assigns will, during the life of its franchise, pay to the County of Los Angeles the amount specified in the proposed ordinance annually from the date of the granting of the franchise, and in the event such payment is not made, the franchise will be forfeited.

C. The franchise is described in the Ordinance attached hereto as Exhibit "A" and is a franchise for proprietary petroleum pipeline purposes.

D. That on the _____ day of _____, 200__, at the hour of 9:30 a.m., a day not less than twenty (20) nor more than sixty (60) days after the date of the passage of this resolution, in the hearing room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012, all persons having any objection to the granting of the franchise hereinabove described may appear before the Board of Supervisors and be heard thereon.

E. The Executive Officer, Board of Supervisors, shall cause a notice of said hearing to be published at least once within fifteen (15) days after adoption of this Resolution of Intention in a newspaper of general circulation published in the County of Los Angeles.

The foregoing resolution was on the ____ day of _____, 2008, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

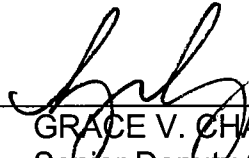
SACHI A. HAMAI
Executive Officer-Clerk of the
Board of Supervisors of the
County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By



GRACE V. CHANG
Senior Deputy County Counsel
Contracts Division